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C O N F I D E N T I A L NASSAU 000140

SIPDIS

STATE FOR WHA/CAR

E.O. 12958: DECL: 03/06/2019

TAGS: [ECON](#) [EFIN](#) [BF](#)

SUBJECT: FORMER AG CLAIMS U.S. LAW ENFORCEMENT ILLEGALLY
APPROACHING BAHAMIAN FINANCIAL INSTITUTIONS

Classified By: Charge Zuniga-Brown for reasons 1.4(b) and (d).

¶1. (U) On March 4 local media reported remarks by former Attorney General Alfred Sears that U.S. federal agents and prosecutors have been illegally approaching financial institutions in The Bahamas for information. Sears cited no specific cases but said it is becoming common for U.S. officials to "coerce" local banks directly for assistance, rather than go through the procedures laid out in the Mutual Legal Assistance Treaty (MLAT) or the Tax Information Exchange Agreement (TIEA). Sears called for government intervention in the matter and urged the GCOB to make a "very strong diplomatic protest" against these practices. Sears emphasized that a formal protest would give The Bahamas "the moral high ground" and protect local financial institutions and their clients from abuse. State Finance Minister Zhivargo Laing told local media he has no knowledge of these incidents occurring.

¶2. (C) Comment: This is the second time in two months Sears has received coverage on this matter in local media. The PD officer received four calls about this issue from media on March 5. Post has received no official communication or complaints from the GCOB about this matter and is not aware of any specific incidents of U.S. law enforcement directly approaching local institutions. If queried, post will reiterate to GCOB that all official communications or reports to any Bahamian entity must be coordinated through the U.S. Embassy. Post will follow up with the opposition to clarify if they can provide details to support the allegation.
ZUNIGA-BROWN